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COMMISSION ON TRANSNATIONAL
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Agenda items 3, 4, 5 and 6

GENERAL DISCUSSION ON TRANSNATIONAL CORPORATIONS IN THE WORLD ECONOMY AND TRENDS IN FOREIGN DIRECT INVESTMENT IN DEVELOPING COUNTRIES

ROLE OF TRANSNATIONAL CORPORATIONS IN THE NEWLY OPENED ECONOMIES OF CENTRAL AND EASTERN EUROPE

TRANSNATIONAL CORPORATIONS IN SERVICES, INCLUDING BANKING

INTERNATIONAL, REGIONAL AND BILATERAL ARRANGEMENTS AND AGREEMENTS RELATING TO TRANSNATIONAL CORPORATIONS

Draft resolution submitted by the Vice-Chairman, Mr. Ioan Barac (Romania) as a result of informal consultations

Strengthening the role of the Commission on Transnational Corporations

The Economic and Social Council

1. Takes note of the reports prepared for the Commission on Transnational Corporations at its nineteenth session;

2. Reaffirms the role of the Commission on Transnational Corporations and the need to further strengthen its role as the focal point within the United Nations system for comprehensive intergovernmental consideration of issues concerning foreign direct investment as related to transnational corporations;

3. Emphasizes the need for the Secretary-General to reinforce the role of the United Nations system, including the joint units established with the regional commissions, in strengthening the capacity of developing countries in particular, at their request in the field of foreign direct investment by providing technical cooperation, consultative and advisory services, training, research and information to those countries;

4. Requests also the Secretary-General, in coordination with multilateral organizations and financial institutions, to give priority to strengthening technical cooperation to enhance capacities of developing countries and other recipient countries in the creation of a favourable investment climate, including in the services sector, in the context of their economic programmes;

5. Invites the Governments of developed countries to increase their activities aimed at assisting developing countries, in particular in the development of an environmental favourable to foreign investment;

6. Requests further the Secretary-General to give priority to analytical studies, including those on the global trends and the determinates of foreign direct investment flows as related inter alia to transnational corporations and the impact of those flows and stocks on all countries, in particular developing countries;

7. Further requests the Secretary-General to submit to the Commission at its next session an analytical and comparative report on the role of foreign direct investment in Africa, with recommendations on ways and means to improve foreign direct investment inflows throughout the African continent;

8. Requests further the Secretary-General to submit to the next session of the Commission on Transnational Corporations an analytical report on the flows of foreign direct investment which should pay special attention to the situation of developing countries outside Africa, in particular the least developed countries, with recommendations on how to improve flows to developing countries;

9. Requests the Secretary-General to take steps to ensure that the work of the United Nations system in the field of transnational corporations and related issues is undertaken in a coordinated manner which avoids duplication of work and to present a report on the steps taken to the next session of the Commission;

10. Takes note of the regional conference on foreign investment flows in 1992 in Latin America and welcomes the initiative of the United Nations Secretariat to organize a similar meeting in 1993 in Africa at the ministerial level;

11. Requests further the Secretary-General, in technical cooperation activities, to continue to promote and to provide advice on the interrelationship between foreign direct investment and interregional, regional and subregional economic integration and technical and economic cooperation among developing countries;

12. Requests the Secretary-General to continue activities in matters relating to the role of transnational corporations in the development of small- and medium-sized enterprises;

13. Stresses the importance of participation of foreign direct investment, in particular that of transnational corporations, in privatization processes and reiterates the invitation to the Secretary-General to enhance studies and technical cooperation programmes in accordance with the Economic and Social Council resolution 1992/32 in this area;

14. Takes note of the results of the consultations convened by the President of the General Assembly on the draft code of conduct on transnational corporations from 21 to 23 July 1992;

15. Invites Member States, in particular developed countries, to increase financial support flows for research, advisory and information work as it relates to foreign investment;

16. Takes note of the report of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting, and defers the decisions on draft resolutions I, II and III therein to the next session of the Commission and further reaffirms the importance of the Group's work in contributing to greater transparency in the activities of transnational corporations;

17. Recognizes the need for the integration of the econoies in transition into the world economy through, inter alia, an increase in inflows of foreign direct investment, and recognizes the contribution that the United Nations system can make to this taking into account General Assembly resolutions 47/175 and 47/187;

18. Calls upon Member States to exchange information among themselves, their interested private sectors and all competent organs, organizations and bodies of the United Nations system on their activities, programmes and experiences related to the promotion of foreign direct investment, in particular in developing countries;

19. Reiterates the urgent need for the removal of the remaining obstacles to the creation of an atmosphere conducive to constitutional negotiations in South Africa to build upon significant developments already achieved;

20. Recognizes that some financial institutions are unable to resume their lending activities to South Africa as a result of the inhibiting economic and political difficulties in that country, such as the ongoing violence;

21. Reiterates further its obligations towards the complete eradication of apartheid, reaffirmed in General Assembly resolutions 45/176 A of 19 December 1990, 46/79 A of 13 December 1991, 47/116 A of 18 December 1992 and the Declaration of Apartheid and its Destructive Consequences in Southern Africa, contained in the annex to General Assembly resolution S-16/1 of 14 December 1989;

22. Reaffirms that Governments, entrepreneurs and enterprises, including transnational corporations, have contributed to the demise of the apartheid system, and invites them to give their full and concerted support to that end, and to take appropriate measures regarding the vulnerable and critical process now under way in South Africa, with the aim of achieving the total eradication of the apartheid system and the establishment of a united non-racial and democratic South Africa;

23. Requests the Secretary-General:

(a) In close cooperation with the relevant organs of the United Nations, to continue the work of collecting and disseminating information on the activities of transnational corporations conducting operations in South Africa;

(b) To continue preparing studies on the level, form and responsibilities of the operations of transnational corporations in South Africa, including their non-equity business arrangements and their involvement in particular sectors of the South African economy;

(c) To continue examining possible contributions of transnational corporations to the construction of a united and non-racial democratic South Africa in the economic and social fields, taking into account the special need for the development of human resources, particularly the training of black South African entrepreneurs, and for employment, housing and health;

(d) To report to the Commission on Transnational Corporations at its twentieth session, the Economic and Social Council and the General Assembly on the implementation of the present resolution;

24. Decides that the Commission should review its mandate and functions at its twentieth session and, if appropriate, make recommendations to the General Assembly through the Economic and Social Council in the context of the ongoing restructuring of the United Nations in the economic and social field;

25. Requests the Secretary-General to report to the Commission at its twentieth session on the implementation of the present resolution.